



Ganga Papers India Ltd.

CIN No.: L21012MH1985PTC035575

(Formerly Known as Kasat Paper & Pulp Ltd.)

Reg. Off.: Gat No. 241, Bebedohal, Tal- Maval, Dist, Pune - 410 506.

City Off.: D-8, Sanskriti Prangan Society, S. No. 131, Baner-Balewadi Road, Baner, Pune- 411 045.

Email : gangapapers@gmail.com

To
BSE Limited
Corporate Relationship Department
1st Floor, New Trading Wing,
Rotunda Building,
PJ Towers, Dalal Street, Fort,
Mumbai- 400 001

Date: 08.10.2016

Dear Sirs,

Subject: Annual Report 2015-16 of the Company

We wish to inform you that the 32nd Annual General Meeting (AGM) of the Members of Ganga Papers India Limited ('the Company') was held at 241, Village Bebedohal, Tal. Maval Pune MH 410506 IN on Friday, September 30, 2016 at 10:30 a.m.

The Annual Report 2015-16 comprising of Audited Financial Statements of the Company for the financial year ended March 31, 2016, Reports of the Auditor's thereon and Board's Report alongwith all the Annexure have been duly approved and adopted by the Members of the Company at the aforesaid AGM.

In compliance with the requirements under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby are enclosing a copy of Annual Report 2015-16 of the Company for your records.

Kindly acknowledge receipt.

Thanking You

Yours faithfully,

For Ganga Papers India Limited

Sandeep Kanoria

Sandeep Kanoria
Managing Director
DIN: 00084506



32ND ANNUAL REPORT



BOARD OF DIRECTORS

| | |
|------------------|------------------------|
| Ramesh Chaudhary | Non-Executive Chairman |
| Sandeep Kanoria | Managing Director |
| Amit Chaudhary | Non-Executive Director |
| Sanjeev Jalan | Independent Director |
| Sharwan Kanodia | Independent Director |
| Anjani Agrawal | Independent Director |
| Sadhana Kanoria | Women Director |

REGISTERED OFFICE

241, Village Bebedohal,
Tal. Maval Pune Pune MH 410506 IN

WORKS

241, Village Bebedohal,
Tal. Maval Pune Pune MH 410506 IN

AUDITORS

M/s Achal Srivastava & Co.
Shop No.23/24, Mahmoorganj,
Varanasi, UP- 221010

REGISTRAR & SHARE TRANSFER AGENT

M/s. Sharex Dynamic (India) Limited.
Unit-1, Luthra Industrial Premises, I Floor, 44-E,
M Vasanti Marg, Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400072

BANKERS

Bank of Baroda

GANGA PAPERS INDIA LIMITED

CIN- L21012MH1985PTC035575

Registered Office: 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN
Phone No. : +91 20 66206581, Fax No. : +91 20 66206582, Website: www.gangapapers.in,
E-mail : gangapapers@gmail.com

NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of the Company will be held on Friday the 30th day of September 2016 at 10.30 A.M. at the Registered Office of the Company at 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement for the period ended 31st March 2016 together with report of the Director's and the Auditor's thereon.
2. To appoint a Director in place of Mr. Amit Chaudhary (DIN – 00080093), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of company M/s Achal Srivastava & Co (Firm registration No : 013385C), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2016-2017 at such remuneration as may be determined by the Board of Directors of the Company."

For and on behalf of the Board of Directors

Ganga Papers India Limited

Sd/-

Ramesh Chaudhary

Chairman

Place : Pune

Date : 26th August, 2016

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. IN CASE, A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.

The Instrument appointing proxy should, however, be deposited at the Registered Office of the Company duly completed and signed not less than forty-eight (48) hours before the commencement of the meeting.

2. Corporate members are requested to send board resolution duly certified, authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
3. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, ECS details etc. to their respective Depository Participants and those holding shares in physical form are to intimate the said changes to the Registrar and Transfer Agent of the Company, at their address given below.
4. The Register of Members and the Share Transfer Register of the Company will remain closed from Saturday, 24th September, 2016 to Friday, 30th September, 2016 (both days inclusive).
5. Equity Shares of the Company are under compulsory demat trading by all investors. Those shareholders, who have not dematerialized their shareholding, are advised to dematerialize the same to avoid any inconvenience in future.
6. Brief Profile of Directors proposed to be appointed / re-appointed, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se are given in Corporate Governance Report forming part of the Annual Report.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participants with whom they are maintaining the demat account. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent of the Company, at their address given below.
8. The Ministry of Corporate Affairs (MCA), Government of India, had taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice / documents including Annual Report can be done by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill-up the e-mail Updation Form available at Company's web-site www.gangapapers.in and submit the same to the Registrar and Transfer Agent of the Company, at their address given below. The Notice of the Annual General Meeting along with the Annual Report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company.

9. Voting through electronic means for Annual General Meeting

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and modifications and amendments thereof and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronics means and the business may be transacted through e-voting services provided through Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:-

- (i) The voting period begins on 27th September, 2016 (9.00 a.m.) and ends on 29th September, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bk Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.

- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for GANGA PAPERS INDIA LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. . Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) Ragini Chokshi & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process (including the physical ballots received from members who don't have access to the e-voting process) in a fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period not exceeding Two (2) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses

not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

10. Members who do not have access to remote e-voting facility may fill in the Ballot Paper enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer appointed by the Board of Directors of the Company, Ragini Chokshi & Co., Company Secretaries, at C/o Ganga Papers India Limited, Registered Office at 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN so as to reach not later than 29th September, 2016 by 5:00 p.m. Ballot Paper received after this date will be treated as invalid.
- (xxiv) A member shall opt for only one mode of voting i.e either through remote e-voting or by Ballot Paper. If the member casts vote through both the modes, the votes in the electronic system would be considered and the Ballot Paper would be ignored.
- (xxv) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gangapapers.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

ANNEXURE TO THE NOTICE MENTIONED OVERLEAF

GANGA PAPERS INDIA LIMITED**CIN- L21012MH1985PTC035575**

Registered Office: 241, Village Bebedohal, Tal. Maval Pune MH 410506 IN
Phone No. : +91 20 66206581, Fax No. : +91 20 66206582, Website: www.gangapapers.in,
E-mail : gangapapers@gmail.com

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):

Registered Address:

E-mail ID:

Folio No/Client ID:

DP ID:

I/We, being the member (s) of _____ equity/preference shares of the above named company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature _____, or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the Company, to be held on the 30th Day of September, 2016 at 241, Village Bebedohal, Tal. Maval Pune MH 410506 IN at 10:30 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolution | Vote (Please mention no. of shares) | | |
|-------------------|---|--|---------|---------|
| | | For | Against | Abstain |
| 1. | Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Appointment of a Director in place of Mr. Amit Chaudhary (DIN – 00080093), who retires by rotation and being eligible offers himself for re-appointment | | | |
| 3. | Reappointment of M/s. Achal Srivastav & Co. (Firm Registration No.-013385C), Chartered Accountants for the F.Y. 2016-17 be and is hereby ratified. | | | |

Signed this ____ day of _____ 2016

Affix
Revenue
Stamp

.....
Signature of shareholder.....
Signature of Proxy holder(s)

Instruction Mentioned Overleaf

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference by placing Tick (✓) at the appropriate box. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

Attendance Slip

(To be handed over at the entrance of the Meeting Hall)

Folio No. / DP ID & Client ID: _____

No. of Shares held: _____

I certify that I am a registered Share holder / Proxy for the registered Share holder of the Ganga Papers India Ltd. I hereby record my presence at the 32nd Annual General Meeting of the Company to be held on the 30th Day of September, 2016 at 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN at 10:30 AM

I Member's/Proxy's name in Block Letters

(Member's/Proxy's Signature)

GANGA PAPERS INDIA LIMITED**CIN- L21012MH1985PTC035575**

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E-mail : gangapapers@gmail.com

Ballot Paper
(In lieu of remote e-voting)

| |
|------------------------|
| Name of the member(s): |
| Registered Address: |
| E-mail ID: |
| Folio No/Client ID*: |
| DP ID*: |
| Number of Shares held: |

(*Applicable to investors holding shares in dematerialised form)

I/We hereby exercise my/our vote in respect of Ordinary/ Special Resolution(s) enumerated below, by recording my/our assent or dissent to the said Resolution(s) in the following manner:

| Resolution Number | Resolution | Vote (Please mention no. of shares) | | |
|-------------------|---|--|---------|---------|
| | | For | Against | Abstain |
| 1. | Adoption of the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Appointment of a Director in place of Mr. Amit Chaudhary (DIN – 00080093), who retires by rotation and being eligible offers himself for re-appointment | | | |
| 3. | Reappointment of M/s. Achal Srivastav & Co. (Registration No.-013385C), Chartered Accountants for the F.Y. 2016-17 be and is hereby ratified. | | | |

Signed this ____ day of _____ 2016

.....
Signature of shareholder

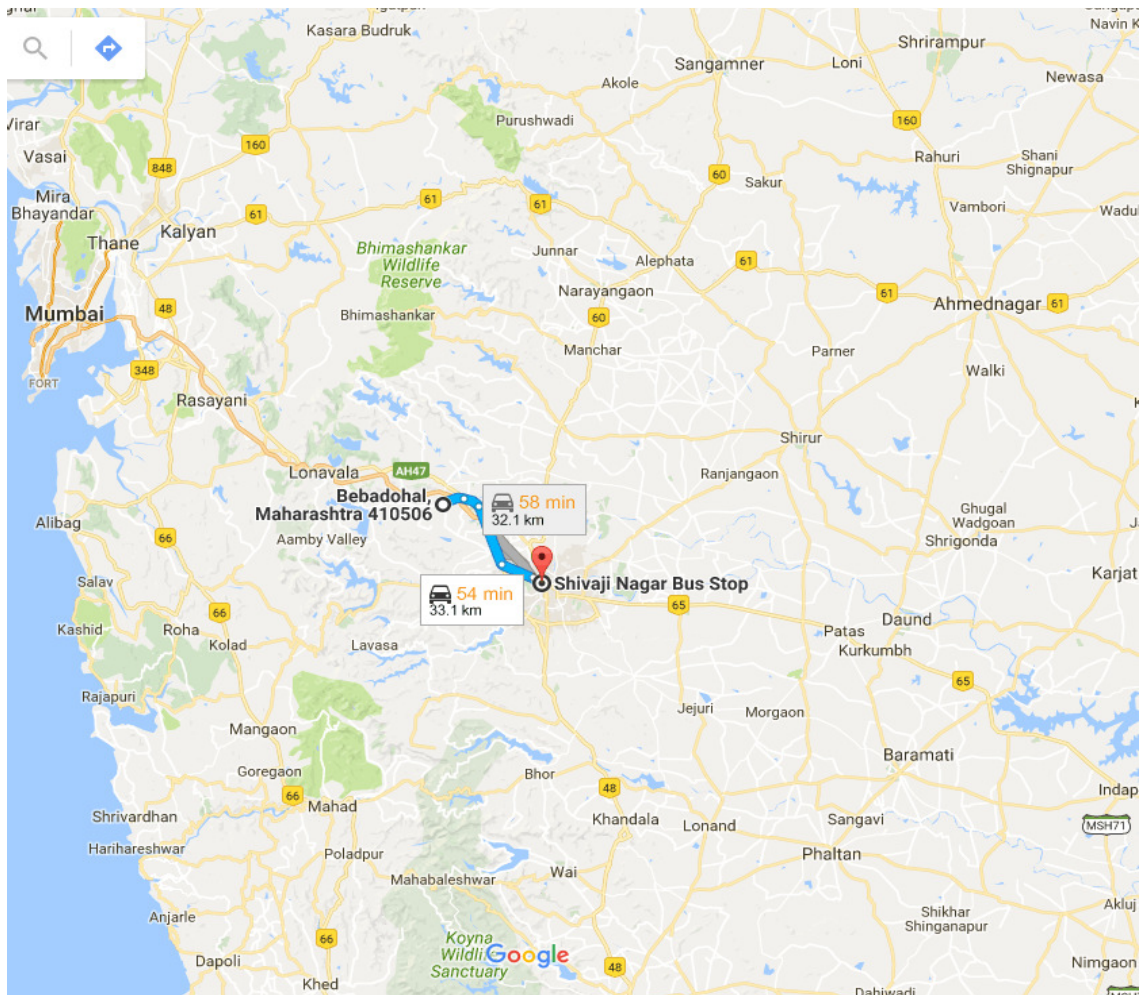
.....
Signature of Proxy holder(s)

Refer Instruction mentioned overleaf

INSTRUCTIONS:

1. Members may fill up the Ballot Paper by placing the Tick () Mark at the appropriate box above and submit the same in a sealed envelope to the Scrutinizer, Ragini Chokshi & Co., Company Secretaries, C/o Ganga Papers India Limited, Registered Office at 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN so as to reach not later than 29th September, 2016 by 5:00 p.m. Ballot Paper received thereafter will be treated as invalid.
2. The Company will not be responsible if the envelope containing the Ballot Paper is lost in transit.
3. Unsigned, incomplete or incorrectly ticked Ballot Papers are liable to be rejected and the decision of the Scrutinizer on the validity of the Ballot Papers will be final.
4. In the event member casts his votes through both the processes i.e. remote e-voting and Ballot Paper, the votes in the electronic system would be considered and the Ballot Paper would be ignored.
5. The right of voting by Ballot Paper shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar & Transfer Agent of the Company. Members are requested to keep the same updated.
7. There will be only one Ballot Paper for every Folio/ DP ID & Client ID irrespective of the number of joint members.
8. In case of joint holders, the Ballot Paper should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Paper signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Paper signed by other joint holders.
9. Where the Ballot Paper has been signed by an authorised representative of the body corporate / Trust / Society etc. a certified copy of the relevant authorisation / Board resolution to vote should accompany the Ballot Paper.
10. Instructions for remote e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company.

MAP TO REACH VENUE FOR AGM OF GANGA PAPERS INDIA LIMITED



GANGA PAPERS INDIA LIMITED

CIN- L21012MH1985PTC035575

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E-mail : gangapapers@gmail.com

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting this Report with Audited Financial Statements of the Company for the year ended 31 March, 2016.

1. FINANCIAL RESULTS

The financial performance of the company for the period under review was as follows:

| Particulars | Amount in (Lacs) | |
|--|---------------------|---------|
| | 2015-16 | 2014-15 |
| Total Income | 7434.15 | 7503.29 |
| Total Expenditure | 7318.67 | 7388.74 |
| Profit before depreciation, tax and prior period items | 181.71 | 178.27 |
| Less: Depreciation | 66.24 | 63.72 |
| Less: Prior period items | Nil | Nil |
| Profit/ (Loss) for the year before tax | 115.47 | 114.55 |
| Tax expenses | 9.54 | 13.02 |
| Profit/ (Loss) after tax | 105.93 | 101.53 |

FINANCIAL PERFORMANCE AND OPERATIONS AND FUTURE PROSPECTS OF THE COMPANY

The operations of the Company are improving day by day and the management is very aggressively striving to achieve the full production capacity. The production of the company has increased marginally this year and full capacity is still to be achieved. The management is taking all necessary steps including various modifications in the plant to ensure the full and efficient running of the plant.

Your Directors feel that this current year is going to be better for the company as we are striving hard to achieve the full production capacity.

DIVIDEND & RESERVES

In order to preserve the resources, your Directors do not recommend any dividend for the current financial year and no reserve was required to be transferred to general reserve account.

FIXED DEPOSIT

The Company has not accepted any fixed deposits during the financial year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No Loans, Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given / provided during the reporting year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

DIRECTORS

- Mr. Sanjeev Murarilal Jalan, Mr. Anjani Kumar Agrawal and Mr. Sharwan Kumar Kanodia were appointed as Independent Directors on the Board in the 30th Annual General Meeting held on 30th of September, 2014. There are no changes in the directorship of the company during the year under review.
- Your Company has received necessary declarations from all its Independent Directors stating that they meet the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.
- During the year under review, Mr. Amit Chaudhary, Non-Executive Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

BOARD DIVERSITY:

Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

BOARD EVALUATION

The annual evaluation framework for assessing the performance of Directors comprises of the following key areas:

- a) Attendance for the meetings, participation and independence during the meetings;
- b) Interaction with Management;
- c) Role and accountability of the Board;
- d) Knowledge and proficiency;
- e) Strategic perspectives or inputs;

The evaluation involves assessment by the Nomination and Remuneration Committee and Board of Directors. A member of the Nomination and Remuneration Committee and Board does not participate in the discussion of his / her evaluation.

DIRECTORS APPOINTMENT AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a 'Remuneration Policy' for selection and appointment of Directors and for their remuneration. The Remuneration Policy is annexed as "**Annexure "I"**".

NUMBER OF MEETINGS OF THE BOARD

A calendar of meetings is prepared and circulated in advance to the Directors. During the year five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, the Directors in terms of clause (c) of sub-section (3) of Section 134 state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis; and
- (e) Proper internal financial controls have been laid down for the company and that such internal financial controls are adequate and are operating effectively.
- (f) Proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

AUDITORS

a. Statutory Auditors

M/s. Achal Srivastav & Co. (Firm Registration No.-013385C), Chartered Accountants have been appointed as statutory auditors of the company at the Annual General Meeting held on 30.09.2015 for a period of five years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

- **Remarks of the Statutory Auditor**

Notes to Accounts forming part of the Financial Statements are self explanatory and need no further explanation. The Auditors' Report to the Shareholders does not contain any reservations or qualifications or adverse remarks which require any clarification or explanations.

b. **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ragini Chokshi & Co., a Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**Annexure 7**".

- ***Remarks of the Secretarial Auditor***

1. *Compliance of observation as reproduced below, raised by Secretarial Auditor of the financial year 2014-2015, is yet not made by the Company.*

(A) The Company has not filed Form MGT- 14 as required u/s 179 of the Companies Act, 2013, for the board resolutions in respect of Approval of Quarterly Financial Results for the Quarter ended 31st March 2014, 30th June 2014 & 30th Sep 2014.

Reply of Board of Directors thereon

The Ministry of Corporate Affairs has issued a General Notification with respect to The Companies (Meeting of Board & its Powers) Amendment Rules, 2015 dated 18.03.2015 and amended The Companies (Meeting of Board & its Powers) Rules, 2014 in which it has omitted Rule 8(9) "approval of quarterly, half yearly and annual financial statements or financial results as the case may be". In light of above statement, filing of form MGT-14 u/s 179 of the Companies Act, 2013 is not mandatory.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is annexed and forms part of the Annual Report and mentioned in "**Annexure-5**"

CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Secretarial Auditor confirming compliance forms an integral part of this Report in "**Annexure-6**".

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 is annexed as "**Annexure 2**".

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

No contracts or arrangements with related parties were entered during the financial year 2015-16. Further, Form No. AOC-2 for disclosure of particulars of contracts/arrangements entered into by the company with related parties is annexed as “*Annexure 4*”.

The Policy on Related party as approved by the Board is uploaded on the Company’s website.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The scope of the Internal Audit is decided by the Audit Committee and the Board. To maintain its objectivity and independence, the Board has appointed an external Auditor, which reports to the Audit Committee of the Board on a periodic basis.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies for various functions of the Company. Based on the report of Internal Auditor, process owners undertake corrective action wherever required in their respective areas and thereby strengthen the controls further. Audit observations and actions taken thereof are presented to the Audit Committee of the Board.

RISK MANAGEMENT

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to minimize adverse impact on the business objectives and enhance the Company’s competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels. To strengthen the risk management framework, company has formed segment level risk committees to identify, analyze and mitigate the potential risks.

CORPORATE SOCIAL INITIATIVES

Since the average net profit of the Company as required to be computed under Section 135 of the Companies Act, 2013 and rules made thereunder of the Act is below Rs. 5 Crores, the Company has not established Corporate Social Responsibility Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as “*Annexure 3*”.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report.

The Whistle Blower Policy as approved by the Board is uploaded on the Company's website.

PARTICULARS OF EMPLOYEES

The Company does not have any of its employees drawing remuneration attracting the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Rules issued thereunder, the Internal Committee constituted under the said Act has confirmed that no complaint / case has been filed / pending with the Company during the year.

EMPLOYEES

Your Company has taken several initiatives for Human Resource development and retention. Competency mapping, identifying training needs, career counseling and Management Development Programs are some of the initiatives adopted by your Company. Training programs are designed to enhance skills, knowledge and behavior. Employees are motivated through empowerment and rewards for good performance. Adoption of 5S across the Company has led to a clean and healthy environment. All these measures have resulted in increased employee engagement.

FAMILIARISATION PROGRAMME

The details of programmes for familiarisation of Independent Directors with the Company are mentioned in the Corporate Governance Report in **Annexure-6** of Board Reports.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to all your Company's employees for their enormous personal efforts as well as their collective contribution to your Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers and all the other stakeholders for their continued support and their confidence in its management.

For and on behalf of the Board of Directors
Ganga Papers India Limited

Sd/-

Ramesh Chaudhary

Chairman

DIN 00007319

Place : Pune

Date : 26th August, 2016

REMUNERATION POLICY

PHILOSOPHY:

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling consistently high standard of Corporate Governance in all facets of the Company's operations.

The Company is committed to provide employment to all eligible applicants on the principles of equality without any discrimination.

The employees have to strictly follow code of ethics and the management practices a zero tolerance for the same.

OBJECTIVE:

- To strike the right balance in the composition of the Board of Directors by ensuring experts from different spectrum of the existing and/or future business environment are co-opted on the Board to help the Company achieve its objectives, aspirations and growth potential.
- To implement a transparent process of determining remuneration at Board and Senior Management level of the Company that would strengthen confidence of stakeholders in the Company and its management and help in creation of long - term value for them.
- To strike appropriate balance between the elements comprising the remuneration so as to attract and retain potential high performing candidates for critical position in the Company for attaining continual growth in business.
- To ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the Company and its goals.

COVERAGE:

A. Policy on Board Diversity and Term of Appointment of Independent Directors:

The Board of Directors shall comprise of persons who have expertise in the areas of business that the Company operates in and of such persons having expertise to help the Company to diversify its business at the appropriate times.

The Nomination and Remuneration Committee of the Board shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.

A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

B. Guidelines of determining remuneration of:

- i. Executive Directors
- ii. Non Executive Directors
- iii. Key Managerial Personnel
- iv. Senior Management Personnel

I. DIRECTORS

i. Executive Directors:

The Board of Directors of the Company shall decide the remuneration of Executive Directors on the basis of recommendation from Nomination & Remuneration Committee (N&RC) subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and compliance of related provisions provided therein.

The remuneration shall be approved by the shareholders of the Company as and when required. At present, Mr. Sandeep Kanoria, Managing Director and only Executive Director of the Company does not draw any Salary from the Company.

ii. Non Executive Directors:

The Company shall issue a letter of engagement or appointment to every Non Executive Director. The components of payment of remuneration to Non Executive Directors shall be as follows:

a. Sitting fees :

Sitting fees shall be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings.

Sitting fees shall be over and above the limits prescribed in the Act for payment of remuneration but shall not exceed the amount as may be prescribed in the Rules for independent and non independent directors.

The disclosure of the payment of sitting fees for all types of meetings shall be made in the Annual Report of the Company.

Committee shall include Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Transfer Committee or such Committees as may be constituted by the Board.

b. Commission

The Board may approve payment of commission subject to the limits provided in the Act. The eligibility and the amount of commission to be paid to each director shall be recommended by the N&RC on the basis of annual performance evaluation of the director based on directors' attendance in board meeting, committees of the Board, time devoted for the Company, contribution in the Board process and such other criteria like duties delegated to the director etc. and which requires payment of higher commission to the director.

c. Stock Options:

Independent Directors & Promoter Directors shall not be entitled for stock options of the Company.

d. Professional fees:

Non independent directors may be paid fees for services of professional nature, if in the opinion of N&RC, the director possesses the requisite qualification for the practice of the profession. The professionals shall be deemed to be possessing requisite qualification and the N&RC is not required to give its opinion, if the director is any of the professional and renders his services to the company in that capacity. Such professional fees shall not be considered as remuneration for the purpose of Act.

EXCESS REMUNERATION:

The Board of Directors may decide to remunerate the Director/s beyond the overall limits provided under the Companies Act, subject to compliance of provisions in this regard including obtaining approval of Central Government, if required, owing to loss incurred by the Company or inadequacy of profits and situation entails providing such remuneration.

WAIVING OF EXCESS REMUNERATION:

Any remuneration or sitting fees paid, whether directly or indirectly, to any director whether executive or not beyond the limits prescribed under the Act and for which approval of the shareholders or Central Government is not obtained, if required to be obtained, the same shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not, in any case, waive the recovery of any such sum unless specific permission is obtained from Central Government for waiving such excess payment.

II. KEY MANAGERIAL PERSONNEL**i. Key Managerial Personnel:**

For the purpose of this Policy, Key Managerial Personnel (KMP) includes Chief Executive Officer, Manager, Chief Financial Officer and Company Secretary and such other officers as may be prescribed from time to time, but shall not include members of the Board of Directors.

The Company shall issue an appointment letter to every KMP.

The remuneration components may be:

Fixed salary:

Each KMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and personal experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein.

The same shall be reviewed annually based on the Company's annual appraisal policy.

For and on behalf of the Board of Directors
Ganga Papers India Limited

Place : Pune
Date : 26th August, 2016

Sd/-
Ramesh Chaudhary
Chairman
DIN 00007319

Extract of Annual Return

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|-----|---|---|
| i | CIN | L21012MH1985PTC035575 |
| ii | Registration Date | 11 th of March, 1985 |
| iii | Name of the Company | GANGA PAPERS INDIA LIMITED |
| iv | Category / Sub-Category of the Company | Public Company / Limited by shares |
| v | Address of the Registered Office and contact details | 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN Tel: +91 20 66206581 Fax: +91 20 66206582 Email: gangapapers@gmail.com Website: www.gangapapers.in |
| vi | Whether listed company | Yes |
| vii | Name, address and contact details of Registrar and Transfer Agent, if any | Sharex Dynamic (India) Pvt Ltd Address: Luthra Indus Estate, 1 st Floor, Safed Pool, Andheri-Kurla Road, Mumbai:400072 Tel. No-022 28515606; Fax: 022 28512885 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company stated below:-

| Sr. No. | Name and description of main products / services | NIC code of the product / service | % to total turnover of the Company |
|---------|--|-----------------------------------|------------------------------------|
| 1. | News print, Kraft Paper, Writing/Printing Paper | 21 | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---------|---------------------------------|----------------|----------------------------------|------------------|--------------------|
| 1. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % change during the year |
|---------------------------------------|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a)Individual / Hindu Undivided Family | Nil | 1 | 1 | 0.00 | Nil | 1 | 1 | 0.00 | 0.00 |
| b)Central Government | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| c)State Government (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| d)Bodies Corporate | 8091663 | Nil | 8091663 | 75.00 | 8091663 | Nil | 8091663 | 75.00 | 0.00 |
| e)Bank / Financial Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| f)Any other | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| Sub-total (A) (1) :- | 8091663 | 1 | 8091664 | 75.00 | 8091663 | 1 | 8091664 | 75.00 | 0.00 |

| | | | | | | | | | | | | | | | | | | | |
|---|----------------|------------|----------------|--------------|----------------|------------|----------------|--------------|----------------|------------|----------------|--------------|----------------|--------------|----------------|--------------|------------|------------|-------------|
| (2) Foreign | | | | | | | | | | | | | | | | | | | |
| a) Non Resident Indians – Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| b) Other – Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| c) Bodies Corporate | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| d) Banks / Financial Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| e) Any other | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| Sub-total (A) (2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | - |
| Total Shareholding of Promoter (A) = (A)(1) + (A)(2) | 8091663 | 1 | 8091664 | 75.00 | 8091663 | 1 | 8091664 | 75.00 | 8091663 | 1 | 8091664 | 75.00 | 8091664 | 75.00 | 8091664 | 75.00 | Nil | Nil | 0.00 |
| B. Public Shareholding | | | | | | | | | | | | | | | | | | | |
| 1. Institutions | | | | | | | | | | | | | | | | | | | |
| a) Mutual Funds | Nil | 26650 | 26650 | 0.25 | Nil | 26650 | 26650 | 0.25 | Nil | 26650 | 26650 | 0.25 | 26650 | 0.25 | 26650 | 0.25 | Nil | Nil | 0.00 |
| b) Banks / Financial Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Central Government | Nil | 500000 | 500000 | 4.63 | Nil | 500000 | 500000 | 4.63 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 4.63 |

| | | | | | | | | | | | | |
|--|------------|---------------|---------------|-------------|------------|--------------|--------------|--------------|------------|-------------|-------------|-----|
| d) State Government (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) Foreign Institutional Investors | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| i) Others (<i>Non –Promoter shareholdings</i>) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1) | Nil | 526650 | 526650 | 4.88 | Nil | 26650 | 26650 | 26650 | Nil | 0.25 | 4.63 | |
| 2. Non-Institutions | | | | | | | | | | | | |
| a) Body Corporate | | | | | | | | | | | | |
| i) Indian | 912195 | 13350 | 925545 | 8.58 | 909895 | 513350 | 1423245 | 13.19 | | | 4.61 | |
| ii) Overseas | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| b) Individuals | | | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 1 Lac | 67933 | 27250 | 95183 | 0.88 | 59051 | 26180 | 85231 | 0.79 | | | 0.09 | |

| | | | | | | | | | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------|
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lac | 1,138,574 | 11,250 | 1,149,824 | 10.66 | 1150846 | 11250 | 1162096 | 10.77 | 0.11 |
| c) Others (Specify) | | | | | | | | | |
| a. NRI | Nil | 20 | 20 | 0.00 | Nil | 0.00 | 0.00 | 0.00 | 0.00 |
| b. Clearing members | Nil | Nil | Nil | 0.00 | Nil | Nil | Nil | 0.00 | 0.00 |
| c. Trusts | Nil | Nil | Nil | 0.00 | Nil | Nil | Nil | 0.00 | 0.00 |
| Sub-total (B)(2) :- | 2118702 | 51870 | 2170572 | 20.12 | 2119792 | 550780 | 2670572 | 24.75 | 4.63 |
| Total Public Shareholding (B) = (B)(1) + (B)(2) | 2118702 | 578520 | 2697222 | 25.00 | 2119792 | 577430 | 2697222 | 25.00 | 0.00 |
| C. Shares held by custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 10210365 | 578521 | 10788886 | 100.00 | 10211455 | 577431 | 10788886 | 100.00 | 0.00 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|---------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Sandeep Kanoria | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0.00 |
| 2 | RAS Polytex Private Limited | 3119163 | 28.91 | 0.00 | 3119163 | 28.91 | 0.00 | 0.00 |
| 3 | SAB Computing Private Limited | 300000 | 2.78 | 0.00 | 300000 | 2.78 | 0.00 | 0.00 |
| 4 | Ganga Pulp and Papers Private Limited | 4672500 | 43.31 | 0.00 | 4672500 | 43.31 | 0.00 | 0.00 |
| | Total | 8091664 | 75.00 | 0.00 | 8091664 | 75.00 | 0.00 | 0.00 |

iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| A | At the beginning of the year | 8091664 | 75.00 | 00.0 | 0.00 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): | | | | |
| 1. | Sandeep Kanoria | 1 | | | |
| | Increase/Decrease in Promoters Share Holding during the year | | | 0.00 | 0.00 |
| 2. | RAS Polytex Private Limited | 3119163 | 28.91 | | |
| | Increase/Decrease in Promoters Share Holding during the year | | | 0.00 | 0.00 |
| 3. | SAB Computing Private Limited | 300000 | 2.78 | | |
| | Increase/Decrease in Promoters Share Holding during the year | | | 0.00 | 0.00 |

| | | | | | |
|----|--|------------------|--------------|-------------|-------------|
| 4. | Ganga Pulp and Papers Private Limited | 4672500 | 43.31 | | |
| | Increase/Decrease in Promoters Share Holding during the year | | | 0.00 | 0.00 |
| B | At the end of the year | 8,091,664 | 75.00 | 0.00 | 0.00 |

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | For Each of the Top 10 Shareholders | Reason | Shareholding | | Cumulative Shareholding during the year | |
|---------|---|----------|---------------|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| 1 | Ajcon Finance Limited | | | | | |
| | At the beginning of the year [01.04.2015] | | 0.00 | 0.00 | 0.00 | 0.00 |
| | Increase as on 21/03/2016 | Transfer | Nil | Nil | 500,000 | 4.63 |
| | At the end of the year | | 500,000 | 4.63 | 0 | 0 |
| 2 | Apex Commotrade Private Limited | | | | | |
| | At the beginning of the year [01/04/2015] | | 354,550 | 3.29 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 354,550 | 3.29 | 0.00 | 0.00 |
| 3 | Veeraj Agarwal | | | | | |
| | At the beginning of the year [01/04/2015] | | 300,000 | 2.78 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 300,000 | 2.78 | 0.00 | 0.00 |

| SI. No. | For Each of the Top 10 Shareholders | Reason | Shareholding | | Cumulative Shareholding during the year | |
|---------|---|--------|---------------|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| 4 | Winall Vinimay Private Limited | | | | | |
| | At the beginning of the year [01/04/2015] | | 283,641 | 2.63 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 283,641 | 2.63 | 0.00 | 0.00 |
| 5 | Anita Agarwal | | | | | |
| | At the beginning of the year [01/04/2015] | | 200000 | 1.85 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 200000 | 1.85 | 0.00 | 0.00 |
| 6. | Sonal Agarwal | | | | | |
| | At the beginning of the year [01/04/2015] | | 200000 | 1.85 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 200,000 | 1.85 | 0.00 | 0.00 |
| 7 | Gouri Kumar Prusty | | | | | |
| | At the beginning of the year [01/04/2015] | | 196000 | 1.82 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 196000 | 1.82 | 0.00 | 0.00 |
| 8 | Signet Vinimay Private Limited | | | | | |
| | At the beginning of the year [01/04/2015] | | 127,638 | 1.18 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 127,638 | 1.18 | 0.00 | 0.00 |

| SI. No. | For Each of the Top 10 Shareholders | Reason | Shareholding | | Cumulative Shareholding during the year | |
|---------|---|--------|---------------|----------------------------------|---|----------------------------------|
| | | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| | At the beginning of the year [01/04/2015] | | 127,638 | 1.18 | 0.00 | 0.00 |
| | No change during the year | | 0.00 | 0.00 | 0.00 | 0.00 |
| | At the end of the year | | 127,638 | 1.18 | 0.00 | 0.00 |
| 10 | Anil Kumar Khemka | | | | | |
| | At the beginning of the year [01/04/2015] | | 99,274 | 0.92 | 0.00 | 0.00 |
| | No change during the year | | | | 0.00 | 0.00 |
| | At the end of the year | | 99,274 | 0.92 | 0.00 | 0.00 |

Note:

1. In case of shares held in dematerialize form, the date of increase / decrease in shareholding corresponds to the date of Benpos provided by the Depositories i.e. CDSL.
2. The above list is based on information of shareholders folio wise.

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl No | Particulars | Mr Ramesh Chaudhary –Non- Executive Chairman | | | | Mr Amit Chaudhary – Non-Executive Director | | | | Mr. Sanjeev Murarilal Jalan– Non-Executive & Independent Director | | | |
|-------|---|--|---------------|----------------------------------|---|--|---------------|----------------------------------|---|---|---------------|----------------------------------|---|
| | | Shareholding at the beginning of the year | No. of shares | % of total shares of the Company | Cumulative Shareholding during the year | Shareholding at the beginning of the year | No. of shares | % of total shares of the Company | Cumulative Shareholding during the year | Shareholding at the beginning of the year | No. of shares | % of total shares of the Company | Cumulative Shareholding during the year |
| | | | | | | | | | | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | No change during the year | | | | | | | | | | | |
| | At the end of the year | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| Sl No | Particulars | Mr. Sharwan Kumar Kanodia Non-Executive & Independent Director | Mr Anjani Kumar Agrawal – Non-Executive & Independent Director | Ms. Sadhana Kanoria – Non-Executive & Women Director | |
|-------|---|--|--|--|---|
| | | Shareholding at the beginning of the year | Cumulative Shareholding during the year | Shareholding at the beginning of the year | Cumulative Shareholding during the year |
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | Nil | Nil | Nil | NA |
| | Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | No change during the year | | | |
| | At the end of the year | Nil | Nil | Nil | Nil |

| Sl No | Particulars | Mr. Sandeep Kanoria --Executive & Managing Director | | | | Mr. Gautam Chaudhary--Chief Finance Officer | | | | Ms. Shreya Chakarvarty – Company Secretary | | | |
|-------|---|---|----------------------------------|---|----------------------------------|---|----------------------------------|---|----------------------------------|--|----------------------------------|---|----------------------------------|
| | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | 1 | 0.00 | 1 | 0.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) | | | | | | | | | | | | |
| | Decrease as on 14/11/2014 due to transfer of shares | 1 | 0.00 | 1 | 0.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | At the end of the year | 1 | 0.00 | 1 | 0.00 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,020,907.10 | NIL | NIL | 1,020,907.10 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 1,020,907.10 | NIL | NIL | 1,020,907.10 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | | | | |
| • Reduction | 705,154.30 | NIL | NIL | 705,154.30 |
| Net Change | (705,154.30) | | | (705,154.30) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 315,752.80 | NIL | NIL | 315,752.80 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 315,752.80 | | | 315,752.80 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Total Amount in INR |
|------------|--|------------------------|
| 1. | Gross Salary | |
| | a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | Nil |
| | b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961 | Nil |
| | c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |

| | | |
|----|---|-----|
| 4. | Commission - as % of profit - others, specify | - |
| 5. | Others, please specify Contribution to Funds # | Nil |
| | Total (A) | Nil |

B. Remuneration to other Directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | Total Amount in INR |
|---------|--|------------------------------------|---------------------------------|--------------------------------|----------------------------|
| | | | | | |
| 1 | Independent Directors | Mr. Sanjeev Murarilal Jalan | Mr Sharwan Kumar Kanodia | Mr Anjani Kumar Agrawal | |
| | Fee for attending board / committee meetings | - | - | - | - |
| | Commission | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | - |
| 2 | Other Non-Executive Directors | Mr Amit Chaudhary | Mr Ramesh Chaudhary | | Total Amount in INR |
| | Fee for attending board / committee meetings | Nil | Nil | | Nil |

| | | | | |
|--|-------------------------------|---|---|---|
| | Commission | | | |
| | Others, please specify | - | - | - |
| | Total (2) | - | - | - |
| | Total (B) = (1+2) | - | - | - |
| | Total Managerial Remuneration | - | - | - |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR

| Sl. No. | Particulars of Remuneration | Key Managerial personnel | | |
|---------|---|---|---|-------------------|
| | | Gautam Chaudhary (Chief Financial Officer) | Shreya Chakravarty (Company Secretary) | Total |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | Nil | 2,40,000 | 2,40,000 |
| | (b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit - others, specify | - | - | - |
| 5. | Others, please specify Contribution to Statutory Funds | - | - | - |
| | Total | Nil | 2,40,000/- | 2,40,000/- |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NIL | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

FOR GANGA PAPERS INDIA LIMITED

Place: Pune
Date: 26th August, 2016

Sd/-
RAMESH CHAUDHARY
Chairman
DIN 00007319

Annexure “3” to the Board’s Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

1. CONSERVATION OF ENERGY

- a) Energy Conservation Measures Taken:
 - I. Variable Frequency Drives installed in order to save power.
 - II. Various old equipments of the plant are changed with new technology to save energy.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: NIL
- c) Impact of the measures (a) & (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods: The Company will achieve savings in energy consumption.
- d) Total energy consumption and energy consumption per unit of production as Form A of the Annexure to the rules in respect of industry specified in the Schedule thereto:

FORM A

| | Current Year | Previous Year |
|--|---------------------|------------------|
| A. Power and Fuel Consumption | | |
| 1. Electricity | | |
| (a) Purchased | | |
| Unit | 11,739,380kwh | 11,142,007 kwh |
| Total Amount | Rs. Rs.89,127,810/- | Rs. 77,404,612/- |
| Rate/unit | Rs.7.59 /unit | Rs.6.95 /unit |
| (b) Own Generation | | |
| (i) Through Diesel Generator | -- | -- |
| (ii) Through steam turbine / generator | 756,108 kwh | 3,225,792 kwh |
| 2. Coal (specify quality and where used) | | |
| Quantity (tones) | 20,493MT | 18,829.724 MT |
| Total Cost | Rs. 64,258,812/- | Rs.655,40,681/- |
| Average Rate | Rs. 3,316/- | Rs. 3,481/- |
| 3. Furnace Oil | Nil | Nil |
| 4. Others | Nil | Nil |
| B. Consumption per unit of production | | |
| Products (with details) unit | | |
| Electricity | 446.40 unit/MT | 405.33 unit/MT |
| Furnace Oil | -- | -- |
| Coal (specify quality) | 732.10 Kg/MT | 685.00 Kg/MT |
| Others (specify) | -- | -- |

2. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure:

FORM B

1. Research & Development (R & D)

- a) Specific areas in which R & D carried out by the Company: None
- b) Benefits derived as a result of the above R & D: Not Applicable
- c) Future plan of action: Not yet finalized
- d) Expenditure on R & D : Nil

2. Technology absorption, adaptation and innovation: NIL

- a) Efforts in brief, made towards technology absorption, adaptation and innovation: N.A.
- b) Benefits derived as a result of the above efforts: N.A.
- c) Technology imported during the last five years: N.A.

3. FOREIGN EXCHANGE EARNINGS & OUTGO

- a) The Company has not commenced any major export activities and the earnings in foreign currency during the previous year was nil and during the year under review is also nil.
- b) Total CIF Value of Imports during the previous year was Rs. 9,08,58,439 /-and during the year under review it was Rs.14,52,90,142 /-.

For Ganga Papers India Limited

Sd/-

Place: Pune

Ramesh Chaudhary

Date: 26th August, 2016

Chairman

DIN 00007319

Annexure-4 to the Board Report

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES (FORM (AOC-2))

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of Companies Act 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

| Name of related party and nature of relationship | Nature of contracts, arrangements and transactions | Duration of contracts/arrangements/actions | Salient terms of the contracts or arrangements or transactions | Justification for entering into such contracts or arrangements or transactions | Date of approval by the Board, if any | Amount paid as advances , if any | Date on which special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|---|---|--|---|--|
| | | | | NOT APPLICABLE | | | |

2. Details of material contracts or arrangements or transactions at arm's length basis.

| Name of related party and nature of relationship | Nature of contracts, arrangements and transactions | Duration of contracts/arrangements/transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date of approval by the Board, if any | Amount paid as advances, if any |
|---|---|--|---|---|--|--|
| NOT APPLICABLE | | | | | | |

For Ganga Papers India Limited

Sd/-

Place: Pune

Ramesh Chaudhary

Date: 26th August, 2016

Chairman

DIN 00007319

Annexure- 5 to The Board Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1 INDUSTRY STRUCTURES & DEVELOPMENT

Your Company has been working through this demanding situation to ensure that we move forward and achieve success at various ends. The Company sticks to its commitment of working and yielding better results even in this situation of global slowdown in the economy.

2 OPERATIONS & FINANCIAL PERFORMANCE

The operations of the Company are satisfactory considering the present slowdown in the economy and the management is striving to achieve better results. The management is taking all necessary steps including various modifications in the plant to ensure the full and efficient running of the plant.

The summarized performance of Company during the year was as under:

| Particulars | 2015-16 | 2014-15 |
|--|----------------|----------------|
| Sales (Rs. In Lacs) | 7406.31 | 7450.77 |
| Profit before Depreciation and Tax (Rs. In Lacs) | 181.71 | 178.27 |

3 INTERNAL CONTROL SYSTEM & ITS ADEQUACY

The effort of the Company to strengthen its internal control systems and their adequacy has yielded fruitful results. The system of internal control is working towards development of transparent and efficient policies for strict adherence to management rules and policies as well as ethical conduct within the organization. The internal control systems are further designed to ensure reliability in financial records and other records for preparing financial information.

The Company places prime importance on the effective internal audit system. The internal audit programme is aligned to the previous years' observations, suggestions from statutory auditors, existing systems and procedures, financial limits and also risk areas which are identified and reviewed. The internal audit report are discussed and reviewed by the Audit Committee.

4 OUTLOOK

During the year under review, we have succeeded to a greater extent in fulfilling the demands of our consumers and we hope that in the financial year 2015-16, we continue with our endeavors and grow even faster. Ganga Papers India Ltd.(GPIL) commits you that we will put all efforts in successfully running this plant and to make your Company one of the biggest paper producing Company in India as we say that “Making Paper is our Passion”

5 CAUTIONARY STATEMENT

The management of Ganga Papers India Ltd. (GPIL) has prepared this report and is responsible for the same. Statements in this Management Discussion and Analysis, describing the Company’s objectives, projections, estimates and expectations may be “forward looking statements” within the meaning of applicable laws and regulation and the management has based them on its current expectations and its projection about future events. Actual result might differ materially from those either expressed or implied.

For Ganga Papers India Limited

Sd/-

Ramesh Chaudhary

Chairman

DIN 00007319

Place: Pune

Date: 26th August, 2016

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The company

It is the consistent conviction of the company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. The corporate governance process and systems have gradually been strengthened over the years to ensure full compliance with regulatory requirements. While the company's compliance of legislative and regulatory requirements is total and absolute, the company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

We firmly believe the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability and independent monitoring. The company has always given its best efforts to uphold and nurture these core values across all operational aspects.

Board of Directors:

- **Composition of the Board:**

As on 31st of March, 2016 the Board of the Directors of the Company comprises of Seven Directors of which one is Executive Director, Six Non-Executive Director of which three are Independent Directors and one Women Director. Details are given in Table-1.

- **Number of Board Meetings:**

During the year 2015-16, 5 (Five) Board Meetings were held and the gap between two meetings did not exceed 120 days . The meetings were held on May 30, 2015, August 14, 2015, November 13, 2015, February 09, 2016, and March 19, 2016.

The strength of Directors on the Board as on March 31, 2016 is Seven. One is Executive Director, Six are Non-Executive Directors out of which three are independent and one being a Women Director.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed companies.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors is related to another.

- **Attendance at the Board Meetings & the last Annual General Meeting (AGM),**
Directorship in other Companies and other Board Committee Memberships:

The information tabled is as on March 31, 2016 or for the year 2015-16:

| <i>Name of Director</i> | <i>Category of Directorship</i> | <i>No. of Board Meetings Attended*</i> | <i>Attendance at the last AGM held on 30-09-2015</i> | <i>Directorship in other Companies **</i> | <i>No. of other Committee Memberships[@]</i> | |
|-------------------------------------|--|--|--|---|---|---------------|
| | | | | | <i>Chairman</i> | <i>Member</i> |
| Ramesh Chaudhary | Chairman, Non-Executive, Non Independent | 5 | Not Present | 10 | Nil | Nil |
| Amit Chaudhary | Non-Executive, Non Independent | 5 | Present | 8 | Nil | Nil |
| Sandeep Kanoria (Managing Director) | Executive, Non Independent | 5 | Present | 3 | Nil | Nil |
| Sadhana Kanoria (Women Director) | Non-Executive, Non Independent | 5 | Not Present | 0 | Nil | Nil |
| Sanjeev Jalan | Non-Executive, Independent | 5 | Present | 3 | Nil | Nil |
| Sharwan Kanodia | Non-Executive, Independent | 5 | Not Present | 1 | Nil | Nil |
| Anjani Agrawal | Non-Executive, Independent | 5 | Not Present | 0 | Nil | Nil |

* No. of Board Meetings held during 2015-16: 5 (Five)

** This includes Directorships held in private limited Companies and excludes Directorships in foreign and Section 8 Companies.

@ This covers Membership / Chairmanship of Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.

Notes:

In compliance with the provisions of Companies Act, 2013, Ms. Anjani Kumar Agrawal Mr. Sanjeev Jalan and Mr. Sharwan Kanodia were appointed as Independent Directors for a term of five years from September 30, 2014.

Code of Conduct for Directors and Senior Management:

The Code of Conduct for the Directors and Senior Management is posted on the website of the Company:

INFORMATION PLACED BEFORE THE BOARD.

Among other information supplied to the Board includes:

- Annual operating plan & budget and any update thereof.
- Quarterly results for the Company.
- Minutes of the meeting of the Audit Committee and other committees of the Board.
- Any show cause notice, prosecution notices and penalty notices.

Directors with material pecuniary or business relationship with the Company:

The Company did not have any pecuniary relationship or transactions with its Non-Executive and/or Independent Directors during the year 2015-16.

Committees of the Board

Audit Committee:

The Company has an Audit Committee comprising of 3 (three) members, two are Independent Directors. Mr. Sanjeev Jalan is the Chairman and Non-Executive Independent Director of the Committee, Mr. Sharwan Kanodia as Non-Executive Independent Director and Mr Amit Chaudhary as Non-Executive Director.

All the members have relevant finance and audit exposure.

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement. The committee continues to perform its tasks under the companies Act, 2013 as well as newly introduced SEBI (Listing Obligations and Disclosures) Regulations, 2015

The representatives of Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee meetings.

The Secretary of the Company acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting held on September 30, 2015.

• **Terms of Reference:**

The Company has framed an Audit Committee Charter which covers all the Audit Committee related requirements of the Corporate Governance Code as well as the requirements of Section 177 of the Companies Act, 2013. The role of the Committee includes:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Meetings and attendance during the year:

Four Audit Committee meetings were held during the Financial Year 2015-16. The meetings were held on May 30, 2015, August 14, 2015, November 13, 2015, and February 09, 2016.

The attendance of each member of the Audit Committee is given below:

| <i>Name of Director</i> | <i>Designation</i> | <i>Category of Directorship</i> | <i>No. of meetings attended*</i> |
|-------------------------|--------------------|---------------------------------|----------------------------------|
| Sanjeev Jalan | Chairman | Non-Executive, Independent | 4 |
| Sharwan Kanodia | Member | Non-Executive, Independent | 4 |
| Amit Chaudhary | Member | Non-Executive, Non- Independent | 4 |

*** Number of meetings held during 2015-16:4 (Four)**

Nomination and Remuneration Committee:

The Company has re-constituted its Remuneration Committee as Nomination and Remuneration Committee in the Board meeting held on 30.05.2014.

The Committee comprises of three members out of which two are Independent Directors. Mr. Sanjeev Jalan is the Chairman of the Committee, Mr Sharwan Kanodia as Non-Executive Independent and Mr Amit Chaudhary as Non-Executive Director are the other members.

The Committee was constituted to comply with the provisions of Section 178 of the Companies Act, 2013.

The terms of reference of this Committee include:

- a) Recommend to the Board the setup and composition of the Board and its committees. This shall include “Formulation of the criteria for determining qualifications, positive attributes and independence of a Director”.
- b) Periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- c) Recommend to the Board the appointment or reappointment of Directors.
- d) Devise a policy on Board diversity.
- e) Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by the Committee).
- f) Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors.
- g) Formulation of criteria for evaluation of Independent Directors and the Board.
- h) Oversee the performance review process of the KMP and the executive team of the Company.
- i) Recommend to the Board the remuneration policy for Directors, executive team/ KMP as well as the rest of the employees.
- j) On an annual basis, recommend to the Board the remuneration payable to Directors and executive team/ Managerial Person of the Company.
- k) Oversee familiarization programmes for Directors.
- l) Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).
- m) Provide guidelines for remuneration of Directors on material subsidiaries.
- n) Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

Two meetings of the ‘Nomination and Remuneration Committee’ were held during the financial year 2015-16. The meetings were held on August 14, 2015 and February 9, 2016.

The attendance of each member of the Committee is given below:

| <i>Name of Director</i> | <i>Designation</i> | <i>Category of Directorship</i> | <i>No. of meetings attended*</i> |
|-------------------------|--------------------|---------------------------------|----------------------------------|
| Sanjeev Jalan | Chairman | Non-Executive, Independent | 2 |
| Sharwan Kanodia | Member | Non-Executive, Independent | 2 |
| Amit Chaudhary | Member | Non-Executive, Non- Independent | 2 |

* Number of meetings held during 2015-16: 2 (Two)

Details of managerial remuneration for the year 2015-16 are given below:

The Company does not pay any sitting fees to the Directors for attending any Board or Committee meetings.

The Company does not pay any remuneration to its Managing Director of the Company.

STAKE HOLDER RELATIONSHIP COMMITTEE

The Stake holder relationship committee comprises of two Directors namely Mr. Amit Chaudhary , Chairman and Mr. Sharwan Kanodia, Member The Committee was formed to approve the matters relating to allotment of securities, issue of duplicate certificates, review and redressal of investor grievance. The Committee met as when required during the year.

The Committee comprises of the following:

| <i>Sr. No</i> | <i>Name of the director/members</i> | <i>Category</i> |
|---------------|-------------------------------------|-------------------------------------|
| 1 | Mr. Amit Chaudhary | Chairman (Non Executive) |
| 2 | Mr. Sharwan Kanodia | Member (Non-Executive, Independent) |

Status of Investor Complaints

During the year under review, no complaints were received which is required to be redressed at the SEBI Complaints redress System (SCORES)

Meeting of Independent Directors:

During the year under review, the Independent Directors met on February 09, 2016, inter alia, to discuss:

1. Review of the performance of Non-independent Directors and the Board as a whole
2. To assess the quality, quantity and timeliness of flow of information between the Management and the Board

All the Independent Directors were present at the Meeting.

Familiarisation programme for Directors:

The Directors (Independent and Non-Independent) are made to interact with Senior Management Personnel and are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letters of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time.

The information w.r.t. the nature of industry in which the Company operates and business model of the Company, etc. is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates to effectively fulfill their role as Directors of the Company.

The details of the Familiarisation programme have been uploaded on the Company's website.

Evaluation of Independent Directors, the Board & its Committees:

- Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation for FY 2015-16 of its own performance, the Directors individually as well as the evaluation of the working of its Committees viz. Audit Committee, 'Nomination and Remuneration Committee'.
- The review of the performance of all the Directors was also evaluated for FY 2015-16 by the 'Nomination and Remuneration Committee'.

- The performance review of the Non-independent Directors was evaluated for FY 2015-16 in the meeting of the 'Independent Directors'.
- The broad areas followed for evaluation of the performance of individual Directors include (a) Attendance; (b) Contribution at Board meetings; (c) Guidance/ support to management outside Board/ Committee meetings.

Additionally, for the Chairman, the key aspects of the role like (a) setting the strategic agenda of the Board with focus on long term value creation for all stakeholders; (b) encouraging active engagement by all the members of the Board and promoting effective relationships and open communication; (c) Communicating effectively with all stakeholders and enabling meaningful relationships were considered.

- The broad areas followed for evaluation of the performance of the Board include (a) Degree of fulfillment of key responsibilities; (b) Board structure and composition; (c) Establishment and delineation of responsibilities to Committees; (d) Effectiveness of Board processes, information and functioning; (e) Board Culture and Dynamics; (f) Quality of relationship between Board and the management; and (g) Efficacy of communication with various stakeholders.
- The broad areas followed for evaluation of the performance of Board Committees include (a) Degree of fulfillment of key responsibilities; (b) Adequacy of Board committee composition; (c) Effectiveness of meetings; (d) Committee Dynamics; and (e) Quality of relationship of the Committee with Board and the management.

Board Diversity:

Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

General Body Meetings

Venue of the last three Annual General Meetings (AGM) and the details of the Resolutions passed or to be passed by Postal Ballot are as under:-

| <i>AGM for the financial year</i> | <i>Date & Time of AGM</i> | <i>Venue</i> | <i>No. Of Special Resolutions</i> |
|-----------------------------------|---|--|-----------------------------------|
| 2014-15 | September 30, 2014 At 10.30 a.m. | D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner, Pune – 411 046 | 2 |
| 2013-14 | September 30, 2014 At 10.30 a.m. | D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner, Pune – 411 046 | 3 |
| 2012-13 | September 29, 2013 At 10.30 a.m. | D-8, Sanskruti Prangan, Baner – Balewadi Road, Baner, Pune – 411 046 | 0 |

**The Shareholders passed all the Resolutions set out in the respective Notices. No Postal ballots were used for voting at these meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

Disclosures

• Risk Management Framework

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels. To strengthen the risk management framework, company has formed segment level risk committees to identify, analyze and mitigate the potential risks.

Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report. The Whistle Blower Policy as approved by the Board is uploaded on the Company's website.

- **Related Party Transactions**

No contracts or arrangements with related parties were entered during the financial year 2015-16.

- **Management Disclosures**

Based on the disclosures received from the Senior Management Personnel; none of the Senior Management Personnel has entered into any transactions during the year in which he/she has material financial and commercial interest or in which he/she may have potential conflict of interest with the interest of the Company at large.

- **Statutory Compliance, Penalties and Strictures**

***The Company has complied with the requirements of the Stock Exchanges / SEBI / Statutory Authority on all matters related to capital markets during last three years except SEBI interim order dated 04th of June, 2013 against the Company, its Directors, Promoters and promoters group for non-compliance of Minimum Public Shareholding.*

*** The said interim order dated 04th of June, 2013 was revoked by the SEBI Order No. WTM/PS/06/CFD/APR/2015 dated 29th of April, 2015.*

Means of Communication

- The Quarterly, Half-Yearly and Annual Results are published in The Free Press Journal (English) and Navshakti (Marathi) as required under the Listing Agreement with the Stock Exchanges.
- The financial results are also posted on the Company's website.
- Management Discussion and Analysis has been covered in the Directors' Report.

General Shareholder Information

- AGM: Date, Time and Venue: September 30, 2016 at 10.30 a.m. at 241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN
- Profile of Directors being re-appointed:

Profile of Mr. Amit Chaudhary who is being re-appointed:

As required under of SEBI (Listing Obligations and Disclosures) Regulations, 2015, the details of membership of the Director and other relevant details in respect of Directors who are being recommended for reappointment are given hereunder:

| | |
|--|---|
| Particular | Mr. Amit Chaudhary (Non-Executive Director) |
| Date of Birth | 24.05.1980 |
| Date of Appointment | 15.01.2007 |
| Qualifications | B. Com, Chartered Accountant |
| Expertise in Specific functional area | Vast Experience in Paper Industry |
| Directorship held in other Public Companies (excluding Foreign Companies) | 1.Shanti Gopal Concast Limited 2.Cempack India Limited |
| Membership/ Chairmanships of committees of other Public Companies (including only Audit Committee and Shareholders Grievance Committee) | <i>Nil</i> |
| No. of Shares held in the Company | <i>Nil</i> |

- | | |
|------------------------------|--|
| • Date of Book Closure | September 24, 2016 to September 30, 2016 |
| • Listing on Stock Exchanges | BSE Limited |
| • Stock Code | “531813” on BSE Limited |
| • Demat ISIN Number for CDSL | I NE278O01015 |

- **High/Low of market price of the Company's shares traded on BSE Limited during the year 2015-16 is furnished below:**

| Month | Open Price | High Price | Low Price | Close Price | No.of Shares | No. of Trades |
|--------------|-------------------|-------------------|------------------|--------------------|---------------------|----------------------|
| Apr-15 | 16.3 | 17.1 | 16.3 | 17.1 | 18000 | 6 |
| May-15 | 17.95 | 17.95 | 17.95 | 17.95 | 100 | 1 |
| Jun-15 | 17.1 | 17.1 | 15.5 | 15.5 | 1500 | 4 |
| Aug-15 | 14.75 | 14.75 | 12.7 | 12.7 | 3500 | 4 |
| Sep-15 | 12.07 | 12.07 | 10.37 | 10.37 | 3300 | 4 |
| Dec-15 | 10.02 | 10.02 | 10.02 | 10.02 | 400 | 1 |
| Feb-16 | 9.53 | 9.53 | 9.53 | 9.53 | 900 | 1 |
| Mar-16 | 10 | 11.44 | 10 | 11.44 | 3500 | 4 |

- **Registrar and Transfer Agents:** The Company has appointed M/s. Sharex Dynamic (India) Limited as Registrar and Transfer Agents having their office at: Unit no.1,LuthraInd. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400072.

Tel.No. 022- 2851 5606/ 5644/ 6338.
Fax No. 022- 2851 2885
Email Id: investor@sharexindia.com
- **Share Transfer System:** Shareholders/Investors are requested to send documents related to share transfer directly to our Registrar and Share Transfer Agent. The transfer of shares gets registered within 10-15 days of receipt of transfer documents, if all the documents are in order.

- **Distribution of Shareholding and Shareholding pattern as on 31.03.2016:**

The distribution of Shareholding as on 31.03.2016 was as follows:

| Share Holding of Nominal Value of Rs. | Number of Shareholders | No. of Equity Shares held | % to Total |
|---------------------------------------|------------------------|---------------------------|---------------|
| Upto 5000 | 185 | 12329 | 0.11 |
| 5001-10,000 | 6 | 4980 | 0.05 |
| 10,001-20,000 | 5 | 8301 | 0.08 |
| 20,001-30,000 | 2 | 4800 | 0.04 |
| 30,001-40,000 | 3 | 10040 | 0.09 |
| 40,001-50,000 | 2 | 9100 | 0.08 |
| 50,001- 100,000 | 5 | 41900 | 0.39 |
| 100,001 and above | 29 | 10697436 | 99.15 |
| TOTAL | 237 | 10788886 | 100.00 |

- **Shareholding pattern as on 31.03.2016:**

| Category | No. of Shares | Percentage of shareholding |
|--|-----------------|----------------------------|
| Promoters | 8091664 | 75.00 |
| Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions, etc. | 26650 | 0.25 |
| Foreign Institutional Investors | Nil | Nil |
| Private Corporate Bodies | 1423245 | 13.19 |
| Non Resident Indian | Nil | 0.00 |
| Others | 1247327 | 11.56 |
| Total: | 10788886 | 100.00 |

- Dematerialisation of shares: 94.64 % equity shares of the Company and liquidity were held in dematerialised form as on March 31, 2016.
- **Plant Locations:** 241, Village Bebedohal, Tal. Maval, Dist. Pune 411 507
- **Address for correspondence:** Shareholders correspondence should be addressed to our Registrars and Share Transfer Agents at the address mentioned above. Shareholders may also contact the Secretary of the Company at the Registered Office of the Company for any assistance. **Tel. - (020) 66206581 Fax – (020) 66206582**

The Secretary has designated following Email ID for investors' correspondence and redressal of their grievances and complaints.

Email: gangapapers@gmail.com

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, change in bank mandate for NECS etc. to their respective Depository Participant.

CEO / CFO Certification:

As required under regulation 17(8) read with schedule II of part B of SEBI (Listing Obligations and Disclosures) Regulations, 2015 Mr. Sandeep Kanoria, Managing Director and Mr. Gautam Chaudhary, Chief Financial Officer of the Company certify to the Board that:

1. The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
 - a. these statements do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading;
 - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
2. To the best of their knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
3. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
4. They have indicated to the auditors and the Audit Committee:
 - b. Significant changes in the internal control over financial reporting during the year
 - c. Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and

- d. There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

Regulations for Prevention of Insider Trading

The Company has a comprehensive code of conduct with its Directors, Management and Executives to prevent insider trading as required by the SEBI regulation. In this regards, the Company lays down certain procedures and disclosures to be made while dealing with the securities of the Company.

Name Designation and Address of the Compliance officer:

Ms. Shreya Chakravarty, Company Secretary of the Company is appointed as the Compliance officer of the Company. She may be contacted at:

Ganga Papers India Limited

241, Village Bebedohal, Tal. Maval Pune Pune MH 410506 IN

Phone: 020-66206581

Fax : 020-66206582

Email: gangapapers@gmail.com

TO WHOMSOEVER IT MAY CONCERN

I, Sandeep Kanoria, the Executive Director and Managing Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of para D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Place: Pune
Date: 26th August, 2016

Sd/-
Sandeep Kanoria
(Managing Director)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Ganga Papers India Limited

We have examined the compliance of conditions of Corporate Governance by Ganga Papers India Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Achal Srivastava & Co.

Chartered Accountants

Firm's Registration No.013385C

Aadesh Kumar Agrawal

Partner

Membership No. 410473

Place: Pune

Date: August 26, 2016

Annexure-7 to the Board Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE PERIOD 01-04-2015 TO 31-03-2016

To,
The Members
GANGA PAPERS INDIA LIMITED
241, Village Bebedohal,
Tal. Maval,
Pune 410506.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GANGA PAPERS INDIA LIMITED (CIN : L21012MH1985PTC035575)** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis forevaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **GANGA PAPERS INDIA LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period **1st April, 2015 to 31st March, 2016** (“the reporting period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period **1st April, 2015 to 31st March, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not Applicable**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not applicable as the Company did not issue any security during the financial year under review.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **Not applicable as the Company did not have any scheme for its employees during the financial year under review.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
 - f. The securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable as the Company has not delisted its Equity Shares from any stock exchange during the financial year under review.**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have relied on the certificates obtained by the Company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other Government and Legal Authorities concerning the business and affairs of the company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:-

1. The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989
2. Workmen's Compensation Act, 1923
3. Factories Act, 1948
4. Forest (Conservation) Act, 1980
5. Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
6. Indian Boilers Act, 1923

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 1, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to following observations.

1. *Compliance of observation as reproduced below, raised by Secretarial Auditor of the financial year 2014-2015, is yet not made by the Company.*

(A) The Company has not filed Form MGT- 14 as required u/s 179 of the Companies Act, 2013, for the board resolutions in respect of Approval of Quarterly Financial Results for the Quarter ended 31st March 2014, 30th June 2014 & 30th Sep 2014.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the Minutes of the meetings of the Board of directors or Committee of the Board as the case may be.

We further report that as represented by the Company and relied upon by us, there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guideline

We further report that

1. The Company was issued an interim order by the SEBI for non compliance of Minimum Public Shareholding (MPS) Norms As Stipulated In The Provisions Of Rule 19A Of The Securities Contracts (Regulation) Rules, 1957 And Clause 40A Of The Listing Agreement Read With Section 21 Of The Securities Contract (Regulation) Act, 1956. The Company Has Complied With The MPS Norms As The Offer For Sale Through Stock Exchange Was Made On November 12, 2014 Which Resulted In The Increase Of Public Shareholding In The Company From 5.36% To 25% Consequent Upon Relisting Of Securities With Stock Exchange, however matter is still under consideration before SEBI for final adjudication.
2. The Company is still covered under the provisions of Sick Industrial Companies Act, 1985.

Place : Mumbai
Date : 13.08.2016

For Ragini Chokshi & Co

Sd/-
Makarand Patwardhan
(Partner)
C.P. No. 9031
FCS No. 11872

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,
The Members
GANGA PAPERS INDIA LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Mumbai
Date : 13.08.2016

For Ragini Chokshi & Co

Sd/-
Makarand Patwardhan
(Partner)
C.P. No. 9031
FCS No. 11872



INDEPENDENT AUDITORS' REPORT

To the Members of Ganga Papers India Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **GANGA PAPERS INDIA LIMITED** (the 'Company'), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified u/s.133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified u/s.143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Re. GANGA PAPERS INDIA LIMITED
Independent Auditors' Report for 31st March, 2016 (Contd...)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March, 2016** and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure-A,' a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B' to this report; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) No amount was required to be transferred to the Investor Education and Protection Fund by the Company.

For Achal Srivastava & Co.
Chartered Accountants
Firm's Registration No.013385C

per Aadesh Kumar Agrawal
Partner
Membership No. 410473

Pune
May 30, 2016



Re. GANGA PAPERS INDIA LIMITED

Annexure-A to the Independent Auditors' Report

The Annexure-A referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of **GANGA PAPERS INDIA LIMITED** (the 'Company') for the year ended 31st March, 2016. We report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



Re. GANGA PAPERS INDIA LIMITED

Annexure-A to the Independent Auditors' Report for 31st March, 2016 (Contd...)

- (b) According to the information and explanations given to us, there are no material dues of Income Tax, Service Tax, Duty of Customs, Duty of Excise which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of Sales Tax and Value Added Tax have not been deposited by the Company on account of disputes:

| Name of the Statute | Nature of Dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|---------------------|-----------------|-------------|------------------------------------|---------------------------------------|
| MVAT Act, 2002 | Value Added Tax | 1,25,61,104 | From Financial year 1993-94 to | Joint Commissioner (Appeals) and BIFR |
| CST Act, 1956 | Sales Tax | 61,57,523 | Financial year 2003-04 | |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, Government or dues to debenture holders. However, the Company has outstanding liability of Deferred Sales Tax at Rs.5,83,35,891 as on 31st March, 2016.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and term loans during the year hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Achal Srivastava & Co.
Chartered Accountants
Firm's Registration No.013385C

per Aadesh Kumar Agrawal
Partner
Membership No. 410473

Pune
May 30, 2016



Re. GANGA PAPERS INDIA LIMITED

Annexure-B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganga Papers India Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Re. GANGA PAPERS INDIA LIMITED

Annexure-B to the Independent Auditors' Report for 31st March, 2016 (Contd...)

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Achal Srivastava & Co.
Chartered Accountants
Firm's Registration No.013385C

per Aadesh Kumar Agrawal
Partner
Membership No. 410473

Pune
May 30, 2016

GANGA PAPERS INDIA LIMITED

Balance Sheet as at 31st March, 2016

| | Notes | 31.3.2016 Rs. P. | 31.3.2015 Rs. P. |
|--|-------|-----------------------|-----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 2 | 107,888,860.00 | 107,888,860.00 |
| (b) Reserves and Surplus | 3 | (26,402,445.85) | (36,995,515.51) |
| | | 81,486,414.15 | 70,893,344.49 |
| Non - Current Liabilities | | | |
| Long-term Borrowings | 4 | 46,663,537.66 | 80,277,910.46 |
| Deferred Tax Liabilities (Net) | 5 | 11,148,001.56 | 10,193,811.56 |
| | | 57,811,539.22 | 90,471,722.02 |
| Current Liabilities | | | |
| Short-term Borrowings | 6 | 132,944,243.77 | 142,905,671.70 |
| Trade Payables: | 7 | | |
| Total outstanding dues of Micro & Small Enterprises | | - | - |
| Total outstanding dues of creditors other than Micro & Small Enterprises | | 79,634,108.42 | 49,591,767.05 |
| Other Current Liabilities | 8 | 14,198,475.01 | 6,375,004.95 |
| Short Term Provisions | 9 | 8,659,601.00 | 7,813,601.00 |
| | | 235,436,428.20 | 206,686,044.70 |
| Total : | | 374,734,381.57 | 368,051,111.21 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 10 | | |
| - Tangible Assets | | 82,951,473.40 | 87,762,624.52 |
| - Capital work-in-progress | | 33,948,479.27 | 19,531,951.47 |
| | | 116,899,952.67 | 107,294,575.99 |
| Non-Current Investments | 11 | 154,750.00 | 154,750.00 |
| Other Non-current Assets | 12 | 20,140,394.60 | 33,941,780.43 |
| | | 137,195,097.27 | 141,391,106.42 |
| Current Assets | | | |
| Inventories | 13 | 144,116,308.00 | 121,872,756.00 |
| Trade Receivables | 14 | 78,381,138.00 | 63,556,955.00 |
| Cash and Cash equivalents | 15 | 258,691.38 | 33,645,295.27 |
| Short term Loans and Advances | 16 | 10,923,376.37 | 3,730,671.50 |
| Other Current Assets | 17 | 3,859,770.55 | 3,854,327.02 |
| | | 237,539,284.30 | 226,660,004.79 |
| Total : | | 374,734,381.57 | 368,051,111.21 |
| Significant Accounting Policies | 1 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Achal Srivastava & Co

Chartered Accountants

Firm's Registration No.013385C

For and on behalf of the Board of Directors

per Aadesh Kumar Agrawal

Partner

Membership No.410473

Ramesh Kumar Chaudhary

Chairman

Gautam Chaudhary

Chief Financial Officer

Sandeep Kanoria

Managing Director

Shreya Chakravarty

Company Secretary

Pune

May 30, 2016

GANGA PAPERS INDIA LIMITED

Profit and Loss Statement for the year ended 31st March, 2016

| | Notes | 31.3.2016 Rs. P. | 31.3.2015 Rs. P. |
|--|-------|-----------------------|-----------------------|
| REVENUE | | | |
| Revenue from Operations : | 18 | | |
| Gross Sales (Net of Discounts) | | 790,776,641.62 | 807,172,777.00 |
| Less : Excise Duty and VAT | | 50,145,309.62 | 62,095,464.50 |
| | | 740,631,332.00 | 745,077,312.50 |
| Add : Other Operating Revenue | | 1,412,883.70 | 1,295,259.25 |
| | | 742,044,215.70 | 746,372,571.75 |
| Other Income | 19 | 1,370,424.95 | 3,956,419.83 |
| Total Revenue: | | 743,414,640.65 | 750,328,991.58 |
| EXPENSES | | | |
| Cost of Materials Consumed | 20 | 501,722,566.47 | 543,503,700.67 |
| Changes in Inventories of finished goods, work-in-progress and stock-in-trade | 21 | 7,536,852.00 | (5,663,570.00) |
| Employee Benefits Expense | 22 | 5,475,664.83 | 4,468,316.16 |
| Finance Costs | 23 | 16,717,486.20 | 16,735,312.95 |
| Depreciation and Amortisation Expenses | 10 | 6,624,174.37 | 6,372,250.64 |
| Other Expenses | 24 | 193,790,637.12 | 173,457,880.91 |
| Total Expenses : | | 731,867,380.99 | 738,873,891.33 |
| PROFIT BEFORE TAX | | 11,547,259.66 | 11,455,100.25 |
| Less : Tax Expenses : | | | |
| Deferred Tax | | 954,190.00 | 1,301,851.00 |
| PROFIT FOR THE YEAR | | 10,593,069.66 | 10,153,249.25 |
| Earning per equity share of face value of Rs.10 each | | | |
| (1) Basic | | 0.98 | 0.94 |
| (2) Diluted | | 0.98 | 0.94 |
| Significant Accounting Policies | 1 | | |

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Achal Srivastava & Co
Chartered Accountants
Firm's Registration No.013385C

For and on behalf of the Board of Directors

per Aadesh Kumar Agrawal
Partner
Membership No.410473

Ramesh Kumar Chaudhary
Chairman

Gautam Chaudhary
Chief Financial Officer

Sandeep Kanoria
Managing Director

Shreya Chakravarty
Company Secretary

Pune
May 30, 2016

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

2. Share Capital

Authorised :

1,10,00,000 Equity Shares of Rs. 10 each

Total :

Issued :

1,07,88,886 Equity Shares of Rs. 10 each

Total :

Subscribed & Paid up :

1,07,88,886 Equity Shares of Rs. 10 each

Total :

| 31.3.2016 | | 31.3.2015 | |
|-----------------------|----|-----------------------|----|
| Rs. | P. | Rs. | P. |
| 110,000,000.00 | | 110,000,000.00 | |
| 110,000,000.00 | | 110,000,000.00 | |
| 107,888,860.00 | | 107,888,860.00 | |
| 107,888,860.00 | | 107,888,860.00 | |
| 107,888,860.00 | | 107,888,860.00 | |
| 107,888,860.00 | | 107,888,860.00 | |

Other Information :

(a) Reconciliation of number of shares outstanding :

| Particulars | As at 31st March, 2016 | | As at 31st March, 2015 | |
|---|------------------------|-------------|------------------------|-------------|
| | Equity Shares | | Equity Shares | |
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the yr | 10,788,886 | 107,888,860 | 10,788,886 | 107,888,860 |
| Shares Issued during the yr | - | - | - | - |
| Shares bought back during the yr | - | - | - | - |
| Shares outstanding at the end of the yr | 10,788,886 | 107,888,860 | 10,788,886 | 107,888,860 |

(b) Details of shareholders holding more than 5% Shares

| Name of Shareholder | As at 31st March, 2016 | | As at 31st March, 2015 | |
|-------------------------------|------------------------|--------|------------------------|--------|
| | Equity Shares | | Equity Shares | |
| | Number | % held | Number | % held |
| RAS Polytex Pvt. Ltd. | 3,119,163 | 28.91 | 3,119,163 | 28.91 |
| Ganga Pulp & Papers Pvt. Ltd. | 4,672,500 | 43.31 | 4,672,500 | 43.31 |

(c) Right, preferences and restrictions attached to Shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

3. Reserves & Surplus

(a) Capital Reserve :

As per last Balance Sheet
(it consists Rs.45.00 lacs received from SICOM, Rs.1038.01 lacs against Capital Reduction A/c and balance for other Capital Reserve)

(b) Securities Premium Reserve :

As per last Balance Sheet

(c) Profit and Loss Account :

As per last Balance Sheet

Add : Profit for the year

Less : Adjustment for Fixed Asset

At the end of the reporting year

Total (a+b+c) :

| 31.3.2016 | | 31.3.2015 | |
|------------------------|----|------------------------|----|
| Rs. | P. | Rs. | P. |
| 114,327,472.72 | | 114,327,472.72 | |
| 29,830,200.00 | | 29,830,200.00 | |
| (181,153,188.23) | | (184,064,172.06) | |
| 10,593,069.66 | | 10,153,249.25 | |
| - | | (7,242,265.42) | |
| (170,560,118.57) | | (181,153,188.23) | |
| (26,402,445.85) | | (36,995,515.51) | |

4. Long Term Borrowings

(a) Secured :

Term Loan from Bank (*secured against hypothecation of car*)

(b) Unsecured :

Deferred Payment Liabilities

(The company has opted for the deferred scheme of sales tax, which is payable as per the scheme framed by the State Government read with order of BIFR)

Loans and Advances from related parties

Total (a+b) :

| | |
|----------------------|----------------------|
| 315,752.80 | 1,020,907.10 |
| 315,752.80 | 1,020,907.10 |
| 46,347,784.86 | 78,457,003.36 |
| - | 800,000.00 |
| 46,347,784.86 | 79,257,003.36 |
| 46,663,537.66 | 80,277,910.46 |

Other Information :

Maturity Profile of Secured Term Loan is set out below:

| | Non Current | | | Current |
|---------------------|-------------|------------|-------------------|-------------------|
| | 6-12 yrs | 2-5 yrs | Total | 1 year |
| Term Loan from Bank | Nil | 315,752.80 | 315,752.80 | 705,154.30 |

5. Deferred Tax Liabilities (Net)

Timing difference on account of higher depreciation claimed under tax laws

Total :

| | |
|----------------------|----------------------|
| 11,148,001.56 | 10,193,811.56 |
| 11,148,001.56 | 10,193,811.56 |

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

6. Short Term Borrowings

Secured (from Bank):

Working Capital Loan from Bank

(secured against hypothecation of stock, book debts, movable machines, vehicles either present of future and equitable mortgage of freehold land along with structure and fixed plant thereon)

Total :

| 31.3.2016 | | 31.3.2015 | |
|-----------------------|----|-----------------------|----|
| Rs. | P. | Rs. | P. |
| | | | |
| 132,944,243.77 | | 142,905,671.70 | |
| | | | |
| 132,944,243.77 | | 142,905,671.70 | |
| | | | |
| | - | | - |
| 79,634,108.42 | | 49,591,767.05 | |
| 79,634,108.42 | | 49,591,767.05 | |

7. Trade Payables

Total Outstanding dues of Micro & Small Enterprises

Total outstanding dues of creditors other than Micro & Small Enterprises

Total :

Other Information :

As at 31st March, 2016 there are no outstanding dues to micro and small enterprises (Nil as at 31st March, 2015).
There are no interests due or outstanding on the same.

8. Other Current Liabilities

Current Maturities of Long-term debt

Current Maturities of Deferred Payment Liabilities

Interest accrued but not due on Borrowings

Other Payables :

Statutory Dues Payable

Advances from Customers

Total :

| 31.3.2016 | | 31.3.2015 | |
|----------------------|----|---------------------|----|
| Rs. | P. | Rs. | P. |
| | | | |
| 705,154.30 | | 631,638.40 | |
| 11,988,106.50 | | 4,536,454.00 | |
| 8,729.80 | | - | |
| | | | |
| 1,254,203.41 | | 574,512.55 | |
| 242,281.00 | | 632,400.00 | |
| 14,198,475.01 | | 6,375,004.95 | |

9. Short Term Provisions

Provision for Expenses

Total :

| | | | |
|---------------------|--|---------------------|--|
| | | | |
| 8,659,601.00 | | 7,813,601.00 | |
| 8,659,601.00 | | 7,813,601.00 | |

11. Non-current Investments

Unquoted Non-trade Investments (in equity shares)

Shri Laxmi Krupa Urban Co-op. Bank Ltd.

(5,000 fully paid equity shares of Rs.10 each)

Shri Sadguru Jangali Maharaj Bank Ltd.

(1,995 fully paid equity shares of Rs.50 each)

Janta Sahakari Bank Ltd.

(50 fully paid equity shares of Rs.100 each)

Total :

| | | | |
|-------------------|--|-------------------|--|
| | | | |
| 50,000.00 | | 50,000.00 | |
| 99,750.00 | | 99,750.00 | |
| 5,000.00 | | 5,000.00 | |
| 154,750.00 | | 154,750.00 | |

12. Other Non-current Assets

Balances with Revenue Authorities

Advance to Suppliers of Machinery

Fixed Deposits with Scheduled Banks

Security Depositis

Total :

| | | | |
|----------------------|--|----------------------|--|
| | | | |
| 9,795,763.60 | | 9,076,448.43 | |
| 1,625,802.00 | | 1,475,802.00 | |
| 8,673,644.00 | | 23,344,345.00 | |
| 45,185.00 | | 45,185.00 | |
| 20,140,394.60 | | 33,941,780.43 | |

GANGA PAPERS INDIA LIMITED**Notes to the Financial Statements for the year ended 31st March, 2016**

10. Fixed Assets

(a) Tangible Assets

| Description | Gross Block | | | | Depreciation / Amortisation | | | | | | Net Block | | | | | | | | | |
|------------------------------|----------------|--------------|------------|----|-----------------------------|----------------|---------------|--------------|----------------|----|--------------|----------------|--------------------------|---------------|----------------|---------------|---------------|---------------|-----------|--|
| | As at 1.4.2015 | | Addition | | Deductions | | As at 31.3.16 | | As at 1.4.2015 | | For the year | | Deduction/A djustment | As at 31.3.16 | | 31.3.2016 | | 31.3.2015 | | |
| | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | Rs. | P. | | Rs. | P. | Rs. | P. | Rs. | P. | |
| Own Assets | | | | | | | | | | | | | | | | | | | | |
| Land - Freehold | 5,559,300.00 | | - | - | 5,559,300.00 | | - | - | - | - | | - | - | - | | - | 5,559,300.00 | | 5,559,300 | |
| Building | 65,308,392.45 | | - | - | 65,308,392.45 | 39,570,829.02 | 1,728,626.42 | | - | - | | - | - | - | 41,299,455.44 | 24,008,937.01 | | 25,737,563 | | |
| Plant & Machinery | 347,377,088.02 | 1,813,023.25 | | - | 349,190,111.27 | 296,619,458.33 | 3,882,365.73 | | - | - | | - | - | - | 300,501,824.06 | 48,688,287.21 | | 50,757,630 | | |
| Electrical Installations | 8,053,827.87 | | - | - | 8,053,827.87 | 6,718,580.38 | 438,851.01 | | - | - | | - | - | - | 7,157,431.39 | 896,396.48 | | 1,335,247 | | |
| Furniture & Fittings | 4,879,830.62 | | - | - | 4,879,830.62 | 4,807,169.46 | 25,197.41 | | - | - | | - | - | - | 4,832,366.87 | 47,463.75 | | 72,661 | | |
| Tractor & Motor Car | 4,631,179.00 | | - | - | 4,631,179.00 | 343,568.30 | 546,419.34 | | - | - | | - | - | - | 889,987.64 | 3,741,191.36 | | 4,287,611 | | |
| Motor Cycle | 35,635.00 | | - | - | 35,635.00 | 29,102.95 | 2,714.46 | | - | - | | - | - | - | 31,817.41 | 3,817.59 | | 6,532 | | |
| Leased Asset | | | | | | | | | | | | | | | | | | | | |
| Land - Leasehold | 6,080.00 | | - | - | 6,080.00 | | - | | - | - | | - | - | - | | - | 6,080.00 | | 6,080 | |
| TOTAL | 435,851,332.96 | 1,813,023.25 | | - | 437,664,356.21 | 348,088,708.44 | 6,624,174.37 | | - | - | | - | - | - | 354,712,882.81 | 82,951,473.40 | | 87,762,625 | | |
| Previous year | 433,053,315.96 | 3,626,894.00 | 828,877.00 | | 435,851,332.96 | 334,817,720.46 | 6,372,250.64 | 7,242,265.42 | 343,528.08 | | | 348,088,708.44 | | | 87,762,624.52 | | 98,235,595.50 | | | |
| (b) Capital work-in-progress | | | | | | | | | | | | | | | | 33,948,479.27 | | 19,531,951.47 | | |
| Total : | | | | | | | | | | | | | | | | 33,948,479.27 | | 19,531,951 | | |

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

13. Inventories

| |
|--|
| Raw Material (Waste Paper, Colour and Chemicals) |
| Work-in-progress |
| Finished Goods |
| Stores & Spares and Packing Materials |
| Coal |

Total :

| 31.3.2016 | 31.3.2015 |
|-----------------------|-----------------------|
| Rs. P. | Rs. P. |
| 81,933,462.00 | 47,263,709.00 |
| 1,558,230.00 | 1,173,374.00 |
| 13,303,537.00 | 21,225,245.00 |
| 40,556,248.00 | 30,003,151.00 |
| 6,764,831.00 | 22,207,277.00 |
| 144,116,308.00 | 121,872,756.00 |

14. Trade Receivables

(Unsecured and considered good)

| |
|---|
| Outstanding for a period exceeding six months |
| Others |

Total :

| | |
|----------------------|----------------------|
| 1,338,460.00 | 302,142.00 |
| 77,042,678.00 | 63,254,813.00 |
| 78,381,138.00 | 63,556,955.00 |

15. Cash and Cash equivalents

| |
|-----------------------|
| Balances with Banks |
| - in Current Accounts |
| Cash on hand |

Total :

| | |
|-------------------|----------------------|
| 109,724.98 | 30,266,276.87 |
| 148,966.40 | 3,379,018.40 |
| 258,691.38 | 33,645,295.27 |

16. Short term Loans and Advances

(Unsecured and considered good)

| |
|-----------------------|
| Advances to Suppliers |
|-----------------------|

Total :

| | |
|----------------------|---------------------|
| 10,923,376.37 | 3,730,671.50 |
| 10,923,376.37 | 3,730,671.50 |

17. Other Current Assets

| |
|---|
| Balances with Revenue Authorities |
| Others (includes primarily advances for expenses) |

Total :

| | |
|---------------------|---------------------|
| 3,091,859.55 | 3,289,355.02 |
| 767,911.00 | 564,972.00 |
| 3,859,770.55 | 3,854,327.02 |

18. Revenue from Operations

| |
|-----------------------------|
| Sale of Paper |
| Less : Discounts |
| Less : Excise Duty and VAT |
| Net Sales |
| Insurance Charges Recovered |

Total :

| | |
|-----------------------|-----------------------|
| 795,929,144.62 | 811,660,696.00 |
| 5,152,503.00 | 4,487,919.00 |
| 790,776,641.62 | 807,172,777.00 |
| 50,145,309.62 | 62,095,464.50 |
| 740,631,332.00 | 745,077,312.50 |
| 1,412,883.70 | 1,295,259.25 |
| 742,044,215.70 | 746,372,571.75 |

19. Other Income

| |
|-------------------------------|
| Interest on FDR |
| Rebate and Discount |
| Profit on sale of fixed asset |
| Foreign Exchange Fluctuation |

Total :

| | |
|---------------------|---------------------|
| 793,073.00 | 1,786,956.00 |
| 577,351.95 | 554,152.75 |
| - | 44,651.08 |
| - | 1,570,660.00 |
| 1,370,424.95 | 3,956,419.83 |

GANGA PAPERS INDIA LIMITED
Notes to the Financial Statements for the year ended 31st March, 2016
20. Cost of Materials Consumed
(a) Waste Paper, Colour and Chemicals

| | | |
|-------------------------------------|----------------|----------------|
| Stock at the beginning of the year | 47,263,709.00 | 67,490,968.00 |
| Add: Purchases | 514,643,688.98 | 486,376,008.89 |
| Less : Stock at the end of the year | 81,933,462.00 | 47,263,709.00 |

479,973,935.98 506,603,267.89

(b) Packing Material

| | | |
|-------------------------------------|--------------|--------------|
| Stock at the beginning of the year | 640,900.00 | 495,000.00 |
| Add: Purchases | 6,209,434.08 | 9,414,681.00 |
| Less : Stock at the end of the year | 910,290.00 | 640,900.00 |

5,940,044.08 9,268,781.00

(c) Consumable Stores

| | | |
|-------------------------------------|---------------|---------------|
| Stock at the beginning of the year | 29,362,251.00 | 3,856,290.00 |
| Add: Purchases | 26,092,293.41 | 53,137,612.78 |
| Less : Stock at the end of the year | 39,645,958.00 | 29,362,251.00 |

15,808,586.41 27,631,651.78

Total (a+b+c) :

501,722,566.47 543,503,700.67

Total Value of Imported & Indegenous Raw Material and Stores Consumed

| Particulars | 2015-16 | | 2014-15 | |
|---------------------------------------|-------------|------------------|-------------|------------------|
| | Rs. | % of Consumption | Rs. | % of Consumption |
| Raw Materials : | | | | |
| Imported | 166,190,475 | 34.62 | 95,488,839 | 18.85 |
| Indigenous | 313,783,461 | 65.38 | 411,114,429 | 81.15 |
| Total : | 479,973,936 | 100.00 | 506,603,268 | 100.00 |
| Stores and Packing Materials : | | | | |
| Imported | - | - | 1,380,959 | - |
| Indigenous | 21,748,630 | 100.00 | 35,519,474 | 100.00 |
| Total : | 21,748,630 | 100.00 | 36,900,433 | 100.00 |

21. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-trade
(a) Inventories at the beginnig of the year

| | | |
|------------------|---------------|---------------|
| Finished Goods | 21,225,245.00 | 16,022,867.00 |
| Work-in-progress | 1,173,374.00 | 712,182.00 |

22,398,619.00 16,735,049.00

(b) Inventories at the end of the year

| | | |
|------------------|---------------|---------------|
| Finished Goods | 13,303,537.00 | 21,225,245.00 |
| Work-in-progress | 1,558,230.00 | 1,173,374.00 |

14,861,767.00 22,398,619.00

Total (a-b) :

7,536,852.00 (5,663,570.00)

22. Employee Benefits Expenses

| | | |
|--|--------------|--------------|
| Salaries and Bonus | 3,550,381.83 | 2,927,168.16 |
| Contribution to Provident Fund and Other Funds | 1,925,283.00 | 1,541,148.00 |

Total :

5,475,664.83 4,468,316.16

GANGA PAPERS INDIA LIMITED
Notes to the Financial Statements for the year ended 31st March, 2016

| | | 31.3.2016 | | 31.3.2015 | |
|--|-----------------|-----------------------|----|-----------------------|----|
| | | Rs. | P. | Rs. | P. |
| 23. Finance Costs | | | | | |
| Interest Expenses | | 15,588,696.40 | | 15,638,406.50 | |
| Bank Charges | | 1,128,789.80 | | 1,096,906.45 | |
| | Total : | 16,717,486.20 | | 16,735,312.95 | |
| 24. Other Expenses | | | | | |
| (a) Manufacturing Expenses | | | | | |
| Wages and Labour Charges | | 6,275,490.27 | | 5,590,227.26 | |
| Contract Labour Expenses | | 3,958,549.00 | | 3,888,936.00 | |
| Water Charges | | 1,006,183.00 | | 2,228,964.00 | |
| Power & Fuel : | | | | | |
| Opening Stock of Coal | 22,207,277.00 | | | 24,543,500.00 | |
| Add : Purchases from WCL | 43,761,918.97 | | | - | |
| Add : Purchases other than WCL | 20,496,893.12 | | | 65,540,681.00 | |
| Less : Closing Stock of Coal | 6,764,831.00 | | | (22,207,277.00) | |
| | 79,701,258.09 | | | | |
| Add : Electricity Charges | 89,127,810.00 | 168,829,068.09 | | 77,404,612.00 | |
| Machinery Repairs & Maintenance | | 3,412,291.35 | | 2,873,564.00 | |
| Building Repairs & Maintenance | | 597,931.00 | | 1,325,125.00 | |
| | | 184,079,512.71 | | 161,188,332.26 | |
| (b) Selling and Distribution Expenses | | | | | |
| Commission on Sales | | 1,150,401.00 | | 1,734,687.00 | |
| Rebate & Discount | | 3,230,261.00 | | 2,628,925.00 | |
| Freight Outward | | 381,500.00 | | 207,966.00 | |
| Advertisement Expenses | | 210,128.48 | | 230,701.00 | |
| | | 4,972,290.48 | | 4,802,279.00 | |
| (c) Establishment Expenses | | | | | |
| Security Service Charges | | 1,193,128.08 | | 1,220,600.00 | |
| Printing & Stationery | | 138,149.86 | | 87,160.00 | |
| Rates & Taxes | | 1,722,820.01 | | 1,817,456.42 | |
| Telephone & Postage Expenses | | 250,299.76 | | 296,898.14 | |
| Insurance | | 239,345.00 | | 208,012.21 | |
| Legal and Professional Charges | | 377,176.00 | | 762,395.60 | |
| Travelling & Conveyance | | 447,331.00 | | 488,748.00 | |
| Listing and Filing Fees | | 258,880.00 | | 2,469,095.00 | |
| Interest on Duties & Taxes | | 2,643.00 | | 3,186.00 | |
| Auditors' Remuneration | | 75,000.00 | | 30,000.00 | |
| Miscellaneous Expenses | | 34,061.22 | | 83,718.28 | |
| | | 4,738,833.93 | | 7,467,269.65 | |
| | Total (a+b+c) : | 193,790,637.12 | | 173,457,880.91 | |

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

Other Information :

Break-up of Auditors' Remuneration is as under:

| Particulars | 31.3.2016 | 31.3.2015 |
|----------------------|-----------|-----------|
| Statutory Audit Fees | 50,000 | 30,000 |
| Tax Audit Fees | 25,000 | Nil |
| Total : | 75,000 | 30,000 |

25. As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below

Contribution to Defined Contribution Plans, recognized as expense for the year is as under:

| Particulars | 31.3.2016 | 31.3.2015 |
|---|-----------|-----------|
| Employer's Contribution to Provident Fund | 9,67,092 | 7,23,370 |
| Employer's Contribution to Gratuity Fund | 8,00,000 | 2,12,000 |
| Total : | 17,67,092 | 9,35,370 |

26. Value of Import on CIF Basis

| Particulars | 31.3.2016 | 31.3.2015 |
|-------------------|--------------|-------------|
| Raw Materials | 12,67,30,680 | 9,08,24,318 |
| Stores and Spares | Nil | 13,80,959 |
| Capital Goods | Nil | Nil |

27. Earning in Foreign Exchange

| Particulars | 31.3.2016 | 31.3.2015 |
|-------------|-----------|-----------|
| Earnings | Nil | Nil |
| Total : | Nil | Nil |

28. Earnings per Share (EPS)

| Particulars | 31.3.2016 | 31.3.2015 |
|---|-------------|-------------|
| (a) Net Profit after tax as per Profit & Loss Statement attributable to Equity Shareholders | 1,05,93,070 | 1,01,53,249 |
| (b) Weighted Average number of Eq. shares used as denominator for calculating EPS | 1,07,88,886 | 1,07,88,886 |
| (c) Basic and Diluted Earnings per Share | 0.98 | 0.94 |
| (d) Face Value per Equity Share | 10.00 | 10.00 |

29. Payable to Micro, Small and Medium Enterprises

The Company called for the information from creditors regarding their status as to small scale undertaking, in order to make the required disclosure. Due to non receipt of the same, it is assumed that they are not covered under the definition of Micro, Small and Medium Enterprises and thus, there is no such outstanding.

30. Segment Reporting

There is only one segment, therefore no separate disclosure required.

31. Contingent Liabilities and Commitments (to the extent not provided for)

| | 31.3.2016 | 31.3.2015 |
|--|-------------|-------------|
| (a) Outstanding Guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others | 1,00,85,087 | 1,46,26,734 |
| (b) Claim against the Company not acknowledged as debt (Refer Note below) | 1,87,18,627 | 1,87,18,627 |

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

Note : Claim against the Company not acknowledged as debt for the year ended 31st March, 2016 represents Maharashtra Value Added Tax Demand of Rs.1,25,61,104 and Central Sales Tax Demand of Rs.61,57,523 pertaining to period 1993-94 to 2003-04 totalling Rs.1,87,18,627, out of which Rs.1,32,34,262 pertains to financial year 2002-03 and 2003-04 against which the Company is in appeal. However, the matter was pending before BIFR and sales tax department has been directed by BIFR to take liberal view in the case of the Company. Also, the Company has filed application for Amnesty Scheme. The Company is contesting the demand and the Management including its tax advisors believe that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operation.

32. Related Party Disclosures

As per Accounting standards 18, the disclosure of transaction with the related parties are given below:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

| Sl. No. | Name of the Related Party | Relationship |
|---------|---------------------------------------|--------------------------|
| 1 | Sadhana Kanoria, Managing Director | Key Managerial Personnel |
| 2 | Shreya Chakravarty, Company Secretary | |
| 3 | Nitesh Anand, ex-Company Secretary | |

- (ii) Transaction during the year with related parties:

| Sl. No. | Nature of transactions | Key Managerial Personnel | Outstanding as on 31.3.2016 |
|---------|------------------------|--------------------------|-----------------------------|
| 1 | Unsecured Loan repaid | 8,00,000 | Nil |
| 2 | Salary debited | 1,44,000 | Nil |

33. Others

- i) In the opinion of the Board of Directors, all assets other than fixed assets and non-current investment are realizable in the ordinary course of business at the value at which they are stated in the Financial Statement.
- ii) Accounts with certain financial institutions, banks and companies are subject to reconciliation, however, in the opinion of management these will not have any significant impact on the profit for the year and the net worth of the Company as on the Balance Sheet date.
- iii) One of the Bank account of the Company held with Bank of Baroda was seized by the sales tax authorities having debit balance of Rs.10,675.

34. Reclassification

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year's presentation/disclosure.

As per our report of even date

For Achal Srivastava & Co.

Chartered Accountants

Firm's Registration No.013385C

For and on behalf of the Board of Directors

Per Aadesh Kumar Agrawal

Partner

Membership No.410473

Ramesh Kumar Chaudhary

Chairman

Gautam Chaudhary

Chief Financial Officer

Sandeep Kanoria

Managing Director

Shreya Chakravarty

Company Secretary

Pune

May 30, 2016

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

COMPANY OVERVIEW

Ganga Papers India Limited (hereinafter referred to as '**the Company**'), a public limited company is engaged primarily in the business of manufacturing of Newsprint and Kraft papers, pulp and paper products. The Company has its registered office at Pune, Maharashtra, India. The Company has its listing on BSE Limited.

1. Significant Accounting Policies

(a) Basis of Preparation of Financial Statements

The financial statements of Ganga Papers India Limited ('the Company') have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless stated otherwise and comply in all material aspects with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

(b) Use of Estimates

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting year. The differences between the actual results and estimates are recognised in the year in which the results are known/materialise. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

(c) Fixed Assets and Capital Work-in-Progress

- i) Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.
- ii) Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- iii) Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

(d) Depreciation

- i) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- ii) In respect of additions or extensions forming an integral part of existing assets, depreciation is provided as aforesaid over the residual life of the respective assets.

(e) Impairment

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the assets in prior years.

GANGA PAPERS INDIA LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

(f) Foreign Currency Transactions

- i) **Initial Recognition** : Foreign currency transaction are recorded in Indian rupees being the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the respective dates of the transaction.
- ii) **Conversion** : Foreign currency monetary items are reported using the closing rate as at the year end. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- iii) **Exchange Differences** : Exchange differences arising on the settlement of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or as expenses in the financial year in which they arise.

(g) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- i) **Sales** : Revenue are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates and sales taxes.
- ii) **Interest Income** : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

(i) Employee Benefits

- i) **Short Term Employee Benefits** : The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.
- ii) **Post-Employment Benefits (Defined Contribution Plans)** : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. A Separate trust has been established covering gratuity liability of staff. The Trust has taken a policy under Group Gratuity Insurance Scheme of LIC. The Company makes contribution to this Trust and recognizes such contribution as an expense in the Profit and Loss Statement.

(j) Cash Flow Statement

- i) Cash flows are reported using the Indirect Method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- ii) Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents

Notes to the Financial Statements for the year ended 31st March, 2016

(k) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Statement.

(l) Tax Expenses

- i) Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates.
- ii) The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exist, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.
- iii) Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

(m) Provisions, Contingent Liabilities, Congingent Assets

- i) Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- ii) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.
- iii) Contingent assets are neither recognised nor disclosed in the financial statements.

(n) Investments

Investments made by the Company in various securities are primarily meant to be held over a long-term period. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

(o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.